

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHIN #1026/01 1952224  
ZNR UUUUU ZZH  
R 132224Z JUL 08  
FM AIT TAIPEI  
TO RUEHC/SECSTATE WASHDC 9488  
INFO RUEHBJ/AMEMBASSY BEIJING 8441  
RUEHHK/AMCONSUL HONG KONG 9664

UNCLAS AIT TAIPEI 001026

SIPDIS

DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - NIDA EMMONS  
DEPARTMENT PASS AIT/WASHINGTON

E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [TW](#)  
SUBJECT: MEDIA REACTION: U.S.-TAIWAN ARMS SALES

Summary: Taiwan's major Chinese-language dailies focused news coverage July 11 on the government's possible deregulation of Taiwan chipmakers' investment in China; on the stock market fall; and on the screening process for Examination Yuan nominees. In terms of editorials and commentaries, an op-ed in the mass-circulation "Apple Daily" recounted why U.S.-Taiwan arms sales are allegedly frozen and the prospects for Taiwan to obtain arms in time of need. End summary.

"Analyzing the Mystery of the U.S.-Taiwan Arms Sales"

Fu S. Mei, director and editor-in-chief of the Taiwan Defense Review, opined in the mass-circulation "Apple Daily" [circulation: 520,000] (7/11):

"The United States suspended its arms sales to Taiwan, which resulted in the delay of the procurement of eight items with a total value exceeding US\$11 billion. The prospects are unpredictable.

"In fact, [different items in] the arms sales could have been sent to the U.S. Congress in batches in March to undergo (paper) review. There were two reasons that the review was not pushed forward at that time. One was partly because the official documents which the U.S. Army was responsible for were not ready yet. The second reason was that the Bush Administration was purposely looking at the results of Taiwan's presidential election. However, when it came to the eve of President Ma [Ying-jeou]'s inauguration [on May 20], U.S. officials reckoned that the best timing [to deal with the arms sales] was gone already.

"Just before May 20, AIT Director Stephen Young did convey to the United States the message, which was proposed by the national security team of the new [Ma] Administration, hoping that the United States would 'take interaction across the Strait into consideration' when it processed the arms sales. Taiwan did not clearly clarify on what it meant [by the message]. Nevertheless, quite a few officials in Washington interpreted this message as 'the Ma Administration would not necessarily worry if the notification to the U.S. Congress regarding some items in the arms sales was postponed.' This is what U.S. Assistant Secretary of Defense for Asian and Pacific Affairs James J. Shinn's accounts were based upon, in which Shinn pointed out in a Congressional testimony at the end of June that the suspension of arms sales was because of Taiwan's 'internal politics.'

"In addition, the Taiwan issue apparently has hardly been a priority for the Bush Administration in the last few months. This is because the United States' strategic focus has been on issues such as Iran's nuclear weapons. U.S. Secretary of State Condoleezza Rice and U.S. National Security Adviser Stephen Hadley both think that they do not have time to process the U.S.-Taiwan arms sales and thereby upset Beijing. ...

"In fact, the White House so far has not made any concrete response to Ma's letter to [U.S. President George W.] Bush care of former White House Chief of Staff Andrew Card, who came to Taiwan and

attended Ma's inauguration. [The White House] even delayed Card's debriefing about his Taiwan trip. How the Bush Administration values the Taiwan issue is pretty obvious here.

"The Ma Administration's original attitude about the arms sale was that it was necessary to review the sale. However, [the Ma Administration] was forced to adjust part of its way of speaking [regarding its attitude about the arms sales] after it was suspected of delaying the arms sales. [The Ma Administration] also clarified to the United States at the middle and the end of June that it never meant to suspend arms procurement and would also carry out the project of investing in the military, whose budget has been passed by the Legislative Yuan. At the same time, after noticing the issue of U.S.-Taiwan arms sales becoming grim, several U.S. think tanks which are friendly to Taiwan and the American Chamber of Commerce in Taipei (AmCham) have motivated senators to write President Bush a letter asking that [the administration] to send the notification of the arms sales to Congress for review and to complete the final legal procedure that is required before signing the 'Letter of Offer and Acceptance' (LOA). ...

"This move obviously has added pressure to Bush's national security team. As a result, Hadley telephoned [Taiwan's] National Security Council Secretary-General Su Chi at the end of June and expressed hope that the Taiwan administration would keep silent concerning the arms sales for fear of disturbing the Bush Administration's strategic planning and operations around the globe. Theoretically, the Ma Administration should not make a big move concerning the arms sales in the short term.

"Unless the United States has made concrete promises (such as proceeding on the execution of the arms sales after the Olympic Games), then the intentions and the actions of the policy-making

team of Bush, Rice, and Hadley should be watched closely. Moreover, it is possible to mobilize U.S. Congressmen and groups who are friendly to Taiwan to lobby [for Taiwan] proactively and put pressure [on the U.S. government] if necessary. ...

"The United States, Taiwan, the Blue, and the Green should all be held responsible for the delay in the U.S.-Taiwan arms sales over the last seven years. Now, it is time to try to bring the issue to a successful conclusion. The arms sales of eight items (plus the procurement of the F-16 C/D fighter jets) are not only the Bush Administration's most concrete legacy in U.S.-Taiwan security cooperation but also the Ma Administration's trump in the short term while it is actively improving relations with the Chinese Communists as well as rebuilding mutual trust with the United States. Furthermore, the way of handling and the final result of the arms sales are also likely to cause great implication on how the next U.S. President views the United States' overall strategic relations with Taiwan. The Ma Administration, which is focusing on cross-Straits relations now, must not be careless!"

YOUNG